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Nixon Move May Mean Annuity Boost

By

Mike

Causey



The Nixon administration's decision to update measurements of the Consumer Price Index (CPI) may result in an early annuity bonus for 125,000 retired federal workers and military people in the Washington area.

Although January living cost crept up only by one-tenth of 1 per cent, a switch in time references has created a dilemma for persons who decide when to order a federal military annuity boost.

Under the old rules, the CPI was based on an index of 100 for the years 1957-59. According to that yardstick, living costs now measure 138.6, meaning that it costs \$138.60 to buy goods and services today that could have been purchased for \$100 back in 1959.

But the base year has been officially changed to 1967—and it could be an important change for the 1.5 million federal and military retirees whose annuities are tied to the CPI.

Using the old guidelines, the January living cost rise missed—by one-tenth of 1 per cent—setting in motion machinery that raises military-civilian retired pay. Under the old system, the CPI has to go up to 138.7, and stay at that level for three months, to trigger the raise.

But by using 1967 as the base year, the CPI figures have changed slightly, just enough to register a 3 per cent raise, or, under the present system, a CPI of 119.2.

If the Civil Service Commission agrees to base the retirement countdown on the 1967 yardstick, and there is every reason to believe it will, civilian and military retirees will be getting a minimum 4 per cent increase effective June 1. It would show up in checks mailed out for July.

If, however, CSC decided to keep the countdown under the 1957-59 yardstick, the CPI will

have to go up another one-tenth of 1 per cent before the three-month countdown can begin.

Because most people like to work up to the last minute to get maximum time credit and the maximum number of pay checks, it is important for would-be retirees to get a fast ruling from CSC. If CSC accepts the new data and computation, anybody retired by June 1 would be eligible for an annuity bonus. The bonus would be a minimum of 4 per cent, since the CPI has already risen 3 per cent and the government adds a 1 per cent bonus to make up for the two-month delay in computing annuity changes and getting the money to people.

Status Scratch Paper: Department of Transportation has acted to save a two-month supply of stationery that had been destined for burning in a status squabble with the Federal Aviation Administration. On Feb. 6, this column reported that DOT had ordered existing stocks of letterhead paper destroyed because the DOT and FAA mastheads were the same size. DOT is sued new writing paper, with its name in larger print than its subordinate agency.

A memo went out that ordered all of the same-size letterhead stationery to be destroyed.

Since then, however, DOT officials say the edict was a mistake that has been cleared up. They say that a two-month supply of the old-style, equal-size masthead stationery is left. It will not be destroyed. Instead, it has been converted to memo pads and scratch paper.

The employee who blew the whistle on the proposed paper-burning ought to get an award from the taxpayers. But things being the way they are, we'll never tell who it was.

The employee would probably rather keep a job than get a medal.

American Federation of Government Employees fourth district will hold a three-day caucus-social session Feb. 25-27 at the Mohawk Motor Inn in Baltimore. The big union's host local for the session is the U.S. Naval Academy group, headed by Tollie Vann Jr.

Summer Jobs: Several persons have asked how they can get in on qualification tests for summer federal jobs. The answer is they are too late.

The next and final summer test date this year is March 13, and that is only for young persons who registered by the Feb. 3 cutoff.

William W. Layton has been named director of equal employment opportunity, a new job for the Federal Reserve System. Layton had been with the Agriculture Department.